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State Dept. review completed

When Are Diplomatic Relations Not Normal Relations?

The Poles may be considering a way to move forward on the issue of recognizing West Germany without actually "normalizing" relations. They had hoped to establish full diplomatic relations fairly soon after German ratification of the border treaty in June. They grudgingly curtailed their initial enthusiasm and activity, however, following the late July Crimean meeting of Communist party leaders when their socialist neighbors reportedly urged them to wait until the West Germans reached an accord with the East Germans and the Czechoslovaks. Since then, negotiations with the Germans have bogged down over such issues as settling compensation for victims of war crimes or developing guidelines for identifying ethnic Germans -- problems which could be resolved on short notice if the Poles were given a go-ahead from Moscow.

Polish Foreign Minister Olszowski is scheduled to pay an official visit to Bonn in mid-September, and earlier in the summer the foreign office confidently predicted that diplomatic relations would be established before this visit or he would not go. Now the Poles seem unsure. Warsaw apparently believes that formal relations can be established apart from, and short of, "normalization" of relations -- while avoiding any definition of "normalization." Bonn has noted a hardening of the Polish line since the Crimean meeting but also believes the question of establishing diplomatic relations can be exempt from the slowdown in "normalization."

The distinction between the two may be lost on the average observer -- particularly the West German voter or the Polish peasant eager to emigrate to West Germany. In fact, the distinction is a bit hazy to us, but as long as the Poles, the Germans and the Warsaw Pact are all happy . . . .

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The Zagreb Rumor Mill Grinds On

Rumors of C.I.A. backing for the 19 emigre terrorists who unsuccessfully tried to incite rebellion in Bosnia-Herzegovina last month, are circulating in some quarters

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in Zagreb.

In a memorandum just received, Consulate Zagreb reports that Dragomir Modrusan, a Zagreb law student, came to the Consulate on 28 July to check on stories he had heard that the C.I.A. backed the terrorist attack in Bosnia-Hercegovina, and that the Yugoslav government intended to confront Washington with proof to this effect at the upcoming UNGA next month. When the consulate officer denied CIA involvement, Modrusan agreed, saying that if evidence of American intelligence activity exists, it was planted by the Soviet Union "which (is) rumored to have been involved in infiltration..."

This was Modrusan's second query about US intentions toward Yugoslavia in the last year. He previously inquired about US economic credit to Yugoslavia, saying he had the impression that the credits were going to the western sections of the country and not the eastern. Did this mean the US was anticipating the division of the country into two spheres of influence?

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#### Severe Flooding Hits Bosnia-Hercegovina

A state of emergency has been proclaimed in northern Bosnia-Hercegovina as a result of extensive flooding that inundated the region following several days of heavy rains. In Banja Luka, the largest town in the region, the situation is described as "critical." Several hundred homes were flooded and farms along the Tinja, Vrbas and Crkvena river valleys are under water.

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#### Bulgarians Accuse RFE Journalists of Villainous Acts

A spokesman for the Bulgarian Foreign Office charged on 15 August that two Bulgarian employees of RFE, Todor Pipev and Vladimir Viktorov Naidenov, have taken up contacts "in an undesirable way" with the Bulgarian team during the pre-Olympic games. The official told the chief of the West German Trade Mission that he feared the two would "sow discontent and discord" by exerting political influence, psychological pressure and by creating provocations, all of which could be used to persuade members of the Bulgarian team to defect. In an effort

to head off possible defections from the team, the Bulgarian asked for prophylactic measures against any future journalist - team assignments.

Bulgarian sensitivity to RFE activities has always been great, but the current tack betrays a renewed fear of embarrassing defections. An article in the Sofia daily Otechestven Front on 12 August also dealt with journalistic provocations by RFE staffers.

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